



COUNTY OF SAN DIEGO CONSORTIUM

FISCAL YEAR 2004-2005

**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(CAPER)**

NARRATIVE STATEMENT

September 2005

**Catherine J. Trout
Director**



COUNTY OF SAN DIEGO CONSORTIUM
PERFORMANCE REPORT FOR FY 2004-2005

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1.a. ASSESSMENT OF FIVE-YEAR GOALS AND OBJECTIVES

Community Development

Consolidated Plan five-year objectives for community development projects fall into the broad categories of public improvements, facilities, public services, economic development, and planning activities. The following is a description of projects underway and completed in Fiscal Year 2004-2005 in each category. It is important to note that projects are not listed as completed in the U.S. Department of Housing and Urban Development (HUD) Integrated Disbursement and Information System (IDIS) until the funds are either expended or reallocated and the facilities are occupied or used for its intended purpose.

Public Facilities: Public improvements and facilities objectives include infrastructure improvements such as streets, sidewalks, drainage, water/sewer improvements, and retrofitting existing public facilities to address the accessibility needs of persons with disabilities. Improvements also include construction of new public facilities such as parks, fire stations, youth and senior centers, and health facilities.

These funded activities predominantly take place in targeted lower-income Neighborhood Revitalization Areas and contribute to increased public health and safety, revitalized neighborhoods, and improved quality of life for residents. The County of San Diego's 2004-2005 accomplishments include a total of 80 Community Development Block Grant (CDBG) public improvements projects; 41 projects were completed in 2004-2005 and 39 are budgeted or are in progress.

Public Services: Public services objectives include the funding of support services that directly relate to and are supportive of physical community revitalization or housing development activities. This has been achieved in 2004-2005 by a total of 25 CDBG public service projects; 13 projects were completed in 2004-2005 and 12 are currently budgeted or underway.

Economic Development: CDBG funds were spent on two economic development planning activities that are expected to lay the groundwork for future business and job development in the unincorporated area. The Ramona Village Revitalization Plan, administered by the County Department of Planning and Land Use, was started in FY 2004-2005 with the assistance of CDBG funds. Ramona is a rural agricultural community with a historic downtown area surrounded by lower-income neighborhoods. Development of the Economic Revitalization Plan involved numerous meetings with residents, local businesses and community organizations in which there was an exchange of views about future development of the central business district and surrounding community, consensus building, and networking among participants. The community has benefited by an increased awareness of the potential for community and economic revitalization, and from development of an extensive database on public improvement and other deficiencies that impact on community revitalization. Phase I of the plan, including a needs assessment, capital improvements feasibility study, and proposed land uses and regulations, will be completed in FY 2005-2006.

In addition, CDBG funds were awarded in 2003-2004 to the Fallbrook Chamber of Commerce for preparation of a Fallbrook Economic Development Marketing Plan to stimulate economic development and community reinvestment in Fallbrook. Preparation of the Plan was carried out by a consultant who conducted data collection and community outreach, in order to involve as many residents and businesses



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as possible in the process. The plan was completed in 2004-2005 and included a variety of recommended actions that are expected to enhance the economic vitality of Fallbrook.

Another economic development planning expenditure in 2004-2005 was administrative funding for the City/County Reinvestment Task Force that develops policies and plans to increase lending opportunities for businesses and households in low-income communities. The Task Force has also formed a capital collaborative to fund economic development activities and affordable housing in the San Diego region. Further discussion of this can be found in Section 1.e. of this report.

In addition, CDBG funds were used for staff costs to administer revitalization committees in five unincorporated areas of the County: Alpine, Lakeside, Ramona, Spring Valley and the rural southeasterly "Backcountry" area. The revitalization committees provide a forum for community residents and representatives of community organizations to voice their concerns regarding needed community services and improvements, and to work with County staff, elected officials, local, state and federal agency representatives to apply for funds and resolve issues that are identified. Two meetings were held in each community during 2004-2005. The meetings focused on community needs relating to economic development and community character, as well as youth and senior citizen programs, community services and health, infrastructure, public safety and fire protection, parks, recreation and library facilities and services. Often residents submit applications for CDBG funding to address public facility needs identified at these meetings.

Another County Department of Housing and Community Development (HCD) effort that focuses on community revitalization involves the Building Blocks for Better Neighborhoods Program. This program is dedicated to improving residential neighborhoods. Three blocks have been selected for participation in the program to date, namely Kenwood Drive in Spring Valley, North Bonita Street in Casa de Oro, and Vine Street in Fallbrook. The program brings together various County departments to assist with neighborhood improvements, "one block at a time." The program provides zero interest, deferred, and ten-year forgivable loans to residents to improve the appearance of their residence and promote community pride. It also focuses existing resources on addressing public improvement deficiencies and resolution of other problems, such as crime, traffic issues, land use issues, etc., on the block. In 2004-2005, activities included a Fallbrook meeting of Vine Street property owners and residents at which HCD staff solicited ideas on further block improvements, and emphasized the availability of County assistance for rehabilitation of residential properties. Implementation of Vine Street sidewalks was completed. These improvements significantly improved the appearance of the block and provide safe off-road walkways for residents. Additionally, HCD conducted a targeted outreach to multifamily-property owners on Vine Street for participation in a rental rehabilitation loan program. HCD identified nine eligible properties and contacted these owners directly to disseminate information and respond to any questions. Several owners expressed interest, but none have taken advantage of the program.

Housing: Housing goals of the Consolidated Plan are primarily directed toward low-income renters (less than 50% of median income) and low-income homeowners (less than 80% of median income); goals for the homeless are in the less than 30% of median income category. All projects approved during this reporting period met this goal and are described more fully under Section 1.c. of this report.



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1.b. FAIR HOUSING

The County of San Diego, under HUD's direction, has the responsibility to affirmatively further fair housing within the San Diego Urban County, which consists of the unincorporated area of the County, as well as the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach. The County of San Diego's Fair Housing Program strives to reduce housing discrimination in the housing rental, sales, lending, and insurance markets on the basis of race, sex, color, religion, national origin, familial status (presence of children), or handicap, in compliance with the Fair Housing Act.

For the first three months of the fiscal year, the Fair Housing Council of San Diego administered the County's fair housing program. CDBG funds in the amount of \$12,500 were allocated for this period, the last three months of a 12-month contract. In October 2004, as a result of a Request for Proposals (RFP) process, a nine-month contract for \$50,000 was executed with North County Lifeline to serve as the Urban County Fair Housing Program Administrator for the remainder of the fiscal year. In response to the RFP, North County Lifeline created a collaborative, Lifeline's Fair Housing Collaborative, with Heartland Human Relations and Fair Housing Association, and South Bay Community Services to provide fair housing services in the three regions of the Urban County. Through their joint efforts, these organizations sponsored public fair housing educational activities, fair housing outreach activities, and fair housing referral activities. North County Lifeline's Fair Housing Collaborative also administered the County's Affirmative Fair Housing Marketing Program. The Urban County fair housing program is operated as follows: 1) North County Lifeline is the lead agency providing coordination and serves the North County area; 2) Heartland Human Relations and Fair Housing Association serves the East County area; and 3) South Bay Community Services serves the South County area.

Fair housing services administered by the Fair Housing Council and then by Lifeline's Fair Housing Collaborative included the following: 1) Education - fair housing education through public seminars in the San Diego Urban County, setup and maintenance of a fair housing website, and dissemination of news articles/releases; 2) Outreach - outreach through development and distribution of fair housing brochures, and participation in regional fair housing activities; 3) Referrals - maintenance of a hotline for the receipt of fair housing complaints and fair housing referrals; and 4) Fair Housing Marketing - review and approval of developer Fair Housing Marketing Plans for new sales and provision of assistance to developers and real estate sales staff on media and advertising. See Exhibit 3 for the 2004-2005 Summary of Impediments Accomplishments that describes actions taken in FY 2004-2005 to address impediments to fair housing choice. In addition to this contract, the City of Lemon Grove allocated \$8,900 of the city's 2004-2005 CDBG funds to tenant/landlord dispute resolution and fair housing counseling services conducted by Heartland Human Relations specifically for city residents.

Analysis of Impediments to Fair Housing Choice: As a recipient of CDBG funds, San Diego County is required to prepare an Analysis of Impediments to Fair Housing Choice (AI). Consistent with the dates of adoption of its Consolidated Plan, jurisdictions must prepare an AI every five years. In March 2000, the County completed an AI that met HUD guidelines.

In anticipation of the need to update the AI to cover the next five years beginning in 2005, the County



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joined a regional effort to prepare an AI for the entire San Diego Region. That regional effort began in 2003 and was administered by the Fair Housing Resource Board (FHRB) consisting of representatives from all local jurisdictions and organizations with an interest in fair housing issues. The FHRB issued an RFP and selected the consultant, Cotton Bridges Associates, to administer the Regional AI contract, with oversight by all board members. A first draft of the AI was distributed to the contributing jurisdictions in February 2004 for internal review and comment. Each jurisdiction covered a share of the total cost (\$95,420), according to a formula based on its CDBG entitlement. The County share of the AI was 20.77% of the consultant's contract (\$19,819), plus \$5,000 for staff costs associated with development of the AI, for a total cost of \$24,819.

In June 2004, Cotton Bridges Associates submitted the Draft AI to FHRB members for public review and acceptance of the report in each jurisdiction. A notice of availability of the Draft AI was published by the County and placed on the County website for public review during a 30-day comment period that ended on October 4, 2004. The County received no comments from the public during the comment period. However, the City of San Diego received comments that are included, along with responses to comments, in the final chapter of the Final AI. Also, the Draft AI was revised in response to the comments, where required. The Regional AI was completed and final payments were made to the consultant in FY 2004-2005.

The Regional AI includes a summary of demographic data for the San Diego Urban County. The analysis also includes discussions of pertinent federal and State legislation, the San Diego housing market, lending practices, fair housing issues and statistics, results of a fair housing audit, identified impediments to fair housing choice, and strategies for affirmatively furthering fair housing. Fair housing testing was conducted as part of the AI to determine the extent of discrimination in the San Diego Region, specifically in the area of familial status (families with children). Matched pairs of testers attempted to rent apartments in various locations throughout the County. Analysis of site visits showed that there were questionable practices that could indicate discriminatory practices with respect to familial status at eight of the 40 test sites.

The AI identifies seven region-wide impediments to fair housing choice and specific public policy impediments within each jurisdiction. The region-wide impediments relate to the following: 1) insufficient fair housing education and outreach; 2) personal credit history and financial management factors; 3) lack of housing choice and discrimination toward persons with disabilities; 4) lack of widespread testing for lead-based paint hazards; 5) lack of collaboration by local fair housing agencies; 6) differences in fair housing reporting formats among jurisdictions and lack of quantifiable goals and accomplishments; and 7) variable fair housing services within the County, including regular audits and tenant/landlord dispute resolution services.

The following are some of the strategies recommended in the report to address these potential impediments over the next five years: 1) improved and targeted fair housing education and outreach; 2) counseling on maintaining good credit and financial management; 3) expansion of a variety of housing sizes and types to accommodate persons with disabilities and seniors; 4) regional pooling of funds for development of lists of Americans with Disabilities Act compliant apartments; 5) required lead-based paint testing for homebuyer and residential rehabilitation programs; 6) increased collaboration among fair housing providers; 7) uniformity of fair housing reporting; 8) regionally consistent fair housing services, including tenant/landlord dispute resolution; and 9) regional fair housing audits.



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The AI also lists various public policies, zoning provisions and development regulations in each jurisdiction that may affect the range of housing choices. County of San Diego public policies viewed as potential impediments to fair housing choice include: 1) land use designations with either very low or no minimum density requirements; 2) zoning that does not expressly permit transitional housing or emergency shelters; and 3) lack of established zoning or planning procedures to accommodate housing for persons with disabilities. The report recommends that all County jurisdictions consider amending their policies and regulations to address the various potential impediments identified in the report. It is suggested that this could be done as part of each jurisdiction's upcoming General Plan Housing Element update. The report was forwarded to the County Department of Planning and Land Use for review and consideration.

Many of the region-wide strategies were addressed in FY 2004-2005 as part of the CDBG Fair Housing Administrator contracts for affirmative fair housing services. Recommendations for collaboration among County entitlement jurisdictions and expanded regional fair housing activities were implemented by actions of the FHRB. See Exhibit 3 for a list of actions taken in 2004-2005 to address impediments identified in the AI.

1.c. AFFORDABLE HOUSING

This section of the report evaluates progress in meeting the specific objective of providing affordable housing consistent with Consolidated Plan categories including extremely low income, low-income, and moderate-income renter and owner households assisted during the reporting period. During 2004-2005, an open Notice of Funding Availability (NOFA) process was instituted for disbursement of HOME and CDBG affordable housing development funds to encourage and expedite funding of housing proposals. This replaces the previous practice of issuing a housing NOFA for short periods two or three times a year.

HOME Investment Partnership: HUD allocated \$4,478,424 in HOME funds to the County for FY 2004-2005. Approximately 10% (\$447,842) was allocated to administer the program and \$1,628,114 was allocated to the HOME Consortium cities of Carlsbad, Encinitas, La Mesa, San Marcos, Santee, and Vista. The remaining \$2,402,468 was allocated to the Urban County for housing development and tenant-based rental assistance. In addition, the Consortium received a total of \$473,182 (the allocation for 2003-2004 and 2004-2005) through the HOME American Dream Down payment Initiative.

- **HOME Urban County Tenant-Based Rental Assistance (TBRA)**
HOME funds in the amount of \$1,000,000 were allocated in 2002 for implementation of a TBRA program that would assist up to 66 low-income families or individuals residing in the Urban County. The program provides a priority preference for mobile home owner occupants residing within the targeted jurisdiction. In 2004-2005, this program provided rental assistance to 98 households. No supplemental funding was added to the Urban County TBRA in 2004-2005.
- **HOME Mentally Ill Youth TBRA**
HOME funds in the amount of \$84,000 were allocated on April 11, 2000 for implementation of a TBRA program that would assist up to 10 low-income mentally ill, young adults. The program is a collaborative effort between the County of San Diego Department of Housing and Community



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Development and the County's Health and Human Services Agency's Mental Health Services division. In 2004-2005, two youth were assisted. HOME funds in the amount of \$72,000 were added to the Mentally Ill Youth TBRA in 2004-2005.

- **HOME Emancipated Foster Youth TBRA**

HOME funds in the amount of \$250,000 were allocated in 2003-2004 to continue implementation of the Housing Authority-administered Emancipated Foster Youth TBRA Program, a transitional housing program that provided rental assistance to 52 former foster youth between the ages of 18 and 21. A supplemental \$500,000 was also made available to support an additional 32 former foster youth under the existing Emancipated Foster Youth TBRA Program over an approximate two-year period. In 2004-2005, 91 youths were assisted. HOME funds in the amount of \$415,000 were added to the Emancipated Foster Youth TBRA in 2004-2005.

- **HOME Tuberculosis TBRA**

This program provides assistance to those who suffer from tuberculosis. Referrals to the County Housing Authority and supportive services are provided by the County Health and Human Services Agency. The program was established in 1994 with \$148,320 in HOME funds and was designed to assist 20 families for two years, after which the families would transition to the Section 8 Program. One household was assisted under this program in FY 2004-2005. HOME funds in the amount of \$13,000 were added to the Tuberculosis TBRA in 2004-2005.

- **HOME Family Reunification TBRA**

HOME funds in the amount of \$300,000 were allocated to a Pilot HOME Family Reunification TBRA Program in 2003-2004. The program is designed to provide rental assistance and support to at least 15 families participating in the Dependency Court's Substance Abuse Recovery Management System (SARMS). The program is a collaborative effort between the Department of Housing and Community Development and the Health and Human Services Agency. It targets low-income families who are experiencing barriers in housing and who are attempting to reunify with their children while in recovery. Participants may receive assistance for up to two years. Fourteen households were assisted under this program in FY 2004-2005. No supplemental funding was added to the Family Reunification TBRA in 2004-2005.

- **Tenant-Based Rental Assistance-Cities**

During FY 2004-2005, the Cities of Encinitas and Vista together provided Tenant-Based Rental Assistance (TBRA) benefiting two households. No supplemental funding was added to any of the existing City-administered TBRAs in 2004-2005. In addition, during 2004-2005, the County-administered City of Encinitas and City of La Mesa TBRA programs together provided assistance benefiting 20 households.

- **First-time Homebuyer Assistance-Cities**

The City of San Marcos allocated FY 2004-2005 HOME funds (\$244,300) to the City of San Marcos First-Time Homebuyer Program. The City of Santee allocated FY 2004-2005 HOME funds (\$205,020) to the Santee First-Time Homebuyer Program. The City of Vista allocated FY 2004-2005 HOME funds (\$200,000) to the City of Vista Homeownership Assistance Program. During FY 2004-2005, the Cities of Santee, La Mesa, and Vista provided first-time homebuyer programs benefiting 27



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households. In addition, three homeowners were assisted through the City of La Mesa and City of Santee American Dream Downpayment Initiative (ADDI) Program. Each of the three received a low-interest, deferred ADDI loan in the amount of \$10,000.

- **Urban County Down Payment and Closing Costs Assistance Program**

In FY 2004-2005, 15 homeowners were assisted through the Urban County Down Payment and Closing Costs Assistance Program. In addition, these 15 homeowners were also assisted through the Urban County ADDI Program. A total of \$1,160,899 was utilized to assist the 15 low-income households in the purchase of their first homes. The total of \$1,160,899 was comprised of three funding sources: \$505,449.50 HOME funds, \$505,449.50 State CalHome Mortgage Assistance funds and \$150,000 American Dream Downpayment Initiative funding.

- **Homeowner Rehabilitation Assistance-Cities**

The City of Vista allocated FY 2004-2005 HOME funds (\$213,202) to the City of Vista Mobilehome Rehabilitation Program. During FY 2004-2005, the City of Vista provided homeowner rehabilitation funds to 13 households.

- **Rental Housing Activities-Cities**

The City of Carlsbad allocated \$305,255 in FY 2004-2005 HOME funds as supplemental funding toward new construction of the Roosevelt Street Apartments, an 11-unit, new-construction, affordable housing project located at 2578 Roosevelt Street in the City of Carlsbad. The City of Encinitas allocated FY 2004-2005 HOME funds (\$232,574) for partial reimbursement of a \$701,388 advance for the Pacific Pines Affordable Housing Project, a total of six rental and homeownership units in a condominium complex in the City of Encinitas. From the beginning of the HOME Program in 1992, the HOME Consortium cities have funded a total of eight rental housing development projects with a total of 48 HOME-assisted units. HOME funding was used to partially finance acquisition, rehabilitation and new construction costs for these eight projects located in the cities of Carlsbad, Encinitas, Santee, and Vista. Two of these projects were underway (pre-development or construction stage) in 2004-2005.

- **Rental Housing Activities-Urban County**

One HOME-funded rental housing development that was awarded funds in the previous year, was under construction or in a pre-development phase in FY 2004-2005. This is the North County Serenity House, a 60-bed Serenity Village “safe housing” project in Escondido (\$525,000) for women (and children) who have graduated from substance abuse treatment programs. Serenity Village is in the process of getting building plan approval and is expected to start construction in September 2005.

Community Development Block Grant Housing Activities: The CDBG entitlement for FY 2004-2005 was \$5,712,000. Each year a portion of the total CDBG funds are allocated to affordable housing development activities. In the 2004-2005 Annual Funding Plan, \$2,241,291 was allocated for such activities.

In 2004-2005, the following multi-family housing rehabilitation projects were underway: Villa Lakeshore Apartments in Lakeside, rehabilitation of a 34-unit affordable housing complex with an allocation of \$356,000; Lakeside Gardens Apartments in Lakeside, rehabilitation of an 85-unit senior apartment



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complex with an allocation of \$532,000; and Pine View Apartments in Fallbrook, acquisition and rehabilitation of a 101-unit apartment property with an allocation of \$878,400 of CDBG and \$1,774,600 of HOME funds. In addition, rehabilitation was carried out and completed at Martin House (\$63,793), Project Roher (\$65,000), and Project Oriente (\$70,000), that involved the rehabilitation of three group homes operated by the Training Education Research Institute (TERI) for developmentally disabled adults.

CDBG-funded, new construction projects completed in FY 2004-2005 included: Copper Creek, a 48-unit new construction project in San Marcos using a combination of CDBG (\$823,859) and HOME (\$96,471) funds; Solutions Family Center, a 32-unit transitional housing project for homeless families with children in Vista using a combination of CDBG (\$957,000) and HOME funds (\$637,000 in Carlsbad and Encinitas HOME funds); and Fallbrook View, an 80-unit new construction project in Fallbrook using a combination of CDBG (\$1,258,000) and HOME (\$5,000) funds.

In addition, in 2004-2005, the shared-housing program that is administered regionally by non-profits provided services throughout the Urban County to 17 low-income renters; and, the home security/minor rehab program operated by Labor's Community Services and Lutheran's Social Services served a total of 256 low-income households, predominately households of seniors and persons with disabilities. CDBG funds were also used for a Security Deposit Program that benefited 11 households in FY 2004-2005, and for the First-time Homebuyer Education and Counseling Program that held 23 courses in the Urban County providing benefits to 270 persons.

CDBG funds were also combined with funds from the County Health and Human Services Agency and Public Safety Group to fund the staff position of Safe Housing Coordinator. Funding for this position began in January 2001 and funding continued in FY 2004-2005. The Safe Housing Coordinator works closely with the court system to identify and develop regional housing programs for the County's special needs populations. These populations include: participants of the County's Substance Abuse Recovery Management Systems (SARMS); emancipating foster youth; youth with mental illnesses; homeless persons, and domestic violence victims. In 2004-2005, the Coordinator prepared the County's Continuum of Care Supportive Housing Program application. Other accomplishments included: development and implementation of a pilot Youth Employment Preparation Program, development and implementation of a pilot Tenant-Based Rental Assistance (TBRA) program for participants of the County's SARMS program; acquisition of operational funding for units set aside for SARMS families in North County, and acquisition of funding for two transitional housing projects that provide beds in the South Bay for SARMS families and Emancipated Foster Youth.

The City of Poway operated a CDBG-funded housing referral service through a non-profit, including a shared housing program, that served 91 persons in 2004-2005.

All of the above projects were directed to low-income renters, i.e. below 80% of median income.

In addition, FY 2004-2005 CDBG funds supported the Cold Weather Shelter Voucher Program (\$60,000) providing 545 motel/hotel shelter vouchers to 212 unduplicated clients (individuals/families) totaling 11,198 bed nights, and CDBG funds were used for operational expenses of the Regional Task Force on the Homeless (\$30,000).



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1.d. CONTINUUM OF CARE

For the past 11 years, the County has served as the coordination and communication link in the development of the Regional Continuum of Care and the regional supportive housing program application. States, local governments, private nonprofit organizations, and other eligible applicants compete for McKinney-Vento grant funds through a national selection process. Eligible activities include acquisition, rehabilitation, construction, leasing of facilities to serve the homeless, operating costs, and supportive services. Certain activities require local matching funds. Grants are entirely competitive and applications must meet strict HUD requirements. The County's 2004 Supportive Housing Program (SHP) grant totaled approximately \$4.8 million. Utilizing more than \$4.3 million dollars in leveraging for the continuum of care, 2004 SHP awards funded 10 renewal projects and one new sponsor-based Shelter Plus Care project in East County. The following is a summary of the Continuum of Care accomplishments to June 30, 2005, as described in the Supportive Housing Program Application submitted on June 8, 2005.

As a result of regional planning and the geographic differences of the region, two consortium areas were defined, the City of San Diego and the County of San Diego. As a direct result of this coordinated, region-wide planning effort, the Regional Continuum of Care Council (RCCC) has been able to achieve several accomplishments in the past year. These include:

- Expanded permanent supportive housing for chronic homeless individuals by nearly 20%.
- Reduced HUD dependency for supportive services by more than 20% over base year 2004.
- Improved project performance in gaining mainstream resources and movement to permanent housing.
- Created a model for an ongoing homeless institute.
- Formed working groups to address the systemic changes required to improve access to services and mainstream resources.
- Expanded the 2004 inventory of 1,494 beds by 404 beds in 2005.
- Secured funds for the development of new, permanent housing facilities, for expansion of existing services, and new collaboration with non-homeless designated systems of care, such as hospitals.
- Improved linkages with outside resources and forums in order to strengthen RCCC providers' service delivery capacity and effectiveness.

Further accomplishments include:

- Expansion of the Continuum of Care permanent housing inventory by 67 beds over the past year.
- The creation and funding of the planning infrastructure for the Plan to End Chronic Homelessness.
- Increased access to Mainstream Resources dedicated to the chronically homeless.
- Expanded engagement of outreach services to the chronically homeless.
- Expanded support services that expedite transition to permanent housing.

1.e. OTHER ACTIONS

Section 8 Certificates and Vouchers

Over the course of fiscal year 2004-2005, the Rental Assistance Division assisted an average of 10,132 Housing Choice Voucher households under lease, 98 certificates under lease in the Moderate Rehabilitation Program (a program that contracts with apartment complex owners to rent to low-income families on the Section 8 waiting



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list in return for a HUD rehabilitation loan and monthly rental/debt service subsidy), and 48 Mainstream Vouchers for disabled families under lease. Overall, the Section 8 program now supports approximately 10,454 Section 8 Housing Choice Vouchers, including 36 preservation Vouchers (vouchers issued by HUD to prevent displacement when affordable housing returns to market rents). The Section 8 waiting list, as of June 30, 2005, consisted of 20,517 households for all rental assistance programs. Of that number, 6,118 have identified themselves as disabled and 2,307 have identified themselves as disabled in all bedroom size categories. While all income-eligible groups may apply for Section 8 program benefits, priority groups for selection from the waiting list are those who live or work in the jurisdiction of the Housing Authority of the County of San Diego (HACSD) and are in one or more of the following categories: homeless, elderly households, disabled households, families with dependent children, working low-income households, veterans, or surviving spouses of veterans. The HACSD continues to accept new applications for Section 8 rental assistance, but may be closing its waiting list during the year.

Shelter Plus Care Tenant-Based and Sponsor-Based Rental Assistance Program

The program provides housing and supportive services primarily in North County. The households assisted are of the very lowest income (less than 30% of area median income), and are homeless individuals or families who have members who are disabled. North County Interfaith Council and St. Clare's Home refer participants to the program and provide supportive services. The sponsor-based component assists families or singles living in group home settings. In 2004-2005, the County received \$220,128 in Sponsor-Based Shelter Plus Care grant funds. The program currently provides 14 units serving approximately 72 participants. In addition, the County was awarded a five-year grant for \$638,820 for a new project sponsored by the Kurdish Human Rights Watch. The project will provide Shelter Plus Care sponsor-based assistance for (9) 2-bedroom units in East County. It is anticipated that the project will serve nine families with at least one member in each family that suffers from a mental illness or post-traumatic stress disorder.

The County of San Diego is also the grantee for a Tenant-Based Shelter Plus Care program that also provides housing vouchers and support services to the aforementioned targeted populations residing in the jurisdiction. The program currently assists up to 38 individuals and/or families at any given time.

Mortgage Credit Certificate Program

The San Diego Regional Mortgage Credit Certificate Program, developed and administered by the County Department of Housing and Community Development, provides home purchase assistance to low-and moderate-income first-time homebuyers with income at or below 115% of the State Median Income. Homebuyers receive a federal income tax credit equal to 20% of the annual interest on their mortgage loan. The County's program includes all jurisdictions in the region, with the exception of the cities of San Diego, Del Mar, Solana Beach, and Oceanside. Certificates were provided to 104 low-and moderate-income households in FY 2004-2005, 52 of which were issued to households at or below 80% of the regional median income.

County of San Diego Redevelopment Agency

The County of San Diego Redevelopment Agency, created in accordance with California Community Redevelopment Law, has two project areas: the Upper San Diego River Improvement Project Area and the Gillespie Field Project Area. The Redevelopment Agency has established a Low-and Moderate-Income Housing Fund for both project areas.



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On January 8, 2003, the Redevelopment Agency established a Local Rental Subsidy Program and authorized funding of \$1,530,215 to provide rental assistance to approximately 65 low-income households living in close proximity to the Gillespie Field and the Upper San Diego River Improvement Project Areas, which include Bostonia, Casa de Oro, Lakeside, Spring Valley, and nearby communities. The Local Rental Subsidy Program is a demonstration project, with emphasis on transitioning participants into the Section 8 Housing Choice Voucher Program. Applicants who are mobile home owner occupants receive a priority ranking on the program waiting list. The Program, as of June 30, 2005, provided rental assistance to 63 households earning equal to or less than 80% of the median income.

Housing Opportunities for Persons with AIDS (HOPWA)

This program provides assistance to those who suffer from AIDS or HIV, with the highest priority going to those who suffer from both AIDS and tuberculosis. The program is administered on behalf of the City of San Diego. Supportive services are provided by the County Health and Human Services Agency.

Public Housing and Resident Initiatives

HACSD owns 121 units of public housing, 117 are assisted units and the remaining units are occupied by resident apartment managers. The units are located in four separate apartment complexes in the City of Chula Vista and all are maintained in excellent condition. The public housing units are professionally managed by a private management firm, under supervision of the Rental Assistance Division. Improvements to the public housing stock were carried out in 2004-2005 with funding from the HUD Capital Fund. Among these improvements, totaling \$122,502, were upgrades to laundry rooms, landscaping, security, community buildings, and living areas.

In 2002, the HACSD established a Public Housing Resident Advisory Board for the four conventional public housing developments. The Board is composed of public housing residents and Section 8 rental assistance participants. Their major role is review of San Diego Public Housing Agency Plans. The Tenant Commissioners who serve on the Housing Authority Board of Commissioners are recruited from the Resident Advisory Board.

In 2003, the Housing Authority was awarded its first Resident Opportunities and Self-Sufficiency (ROSS) Elderly grant. The program is designed to provide seniors and persons with disabilities residing in public housing with education and access to information that will improve their ability to obtain needed support services that foster dignity and promote independent living. During FY 2004-2005, the Program Coordinator met individually with 43 TownCentre Manor residents to distribute their Individualized Service Plans. A TownCentre Manor Resident Outcome Assessment was completed by each of the residents upon receipt of their Individualized Service Plan. All residents reported an increase in access to existing services, community services, and education since the implementation of the 2002 ROSS-Elderly grant. In addition, the Housing Authority, in collaboration with the County Department of Aging & Independence Services (AIS), continued implementation of a Feeling Fit Program on-site at TownCentre Manor. The Feeling Fit classes are one-hour exercise classes, held up to three times a week in the community room.

Through a joint effort with the San Ysidro Health Center, the Housing Authority launched a Healthy Connection program that provides accessible, comprehensive primary healthcare and supportive services to 117 low-income public housing residents. The Healthy Connections Program services include: preventative health



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screenings, vision, hearing, dental screenings, immunizations, pregnancy tests, follow-up care and health education classes.

In 2004, the County Department of Housing and Community Development received a National Award of Merit for innovation in client services from the National Association of Housing and Redevelopment Officials. The award recognizes the County for its Resident Opportunities and Academic Scholarship Program.

In addition, the County's Housing Authority in collaboration with ACCESS Inc., an organization funded through the Work Force Investment Act, opened a 12-station computer literacy center at its Dorothy Street Public Housing complex. The computer-learning center provides on-site literacy instruction to adults and youth residing in the County's public housing and other County-funded affordable housing complexes.

In 2005, the Housing Authority was awarded its first Resident Opportunities and Self-Sufficiency Family grant. The program was designed in collaboration with the University of California San Diego to provide educational services that include: parent education sessions that teach parents how to ensure their child's success in the school system, personalized academic coaching, and an educational enrichment program that encourages reading and writing for young children.

Self-Sufficiency

In 2005, the County was recognized by the National Association of County's for its innovation in the creation of its Youth Employment Preparation Program. The program provides emancipated foster youth, public housing youth, and youth participating in the Family Self-Sufficiency Program with a six-month paid work experience that includes job coaching and work readiness education. The County collaborated with Casey Family Program's San Diego Field Office and the San Diego Futures Foundation to create the six-month youth employment preparation program for up to 20 youth that are currently receiving Housing Authority assistance. Program participants are given a job skills assessment and are assigned to work in a County departments, such as Housing and Community Development, Animal Services, Registrar of Voters, Library, Purchasing and Contracting, and General Services.

Program Integrity

The County of San Diego Department of Housing and Community Development is committed to ensure that the proper level of benefits are paid to all participating families, and that housing resources reach only income-eligible families. The Office of the Inspector General of the United States honored and commended the County of San Diego in 2005 for its outstanding contributions to HUD's Rental Assistance Fraud Initiatives.

Lead-Based Paint Hazards

In December 1999, HUD awarded a \$1 million grant to the County of San Diego for implementation of the Lead-Based Paint Hazard Control Program. The effective start date of the three-year program was January 1, 2000. In May 2000, the County entered into a contract to implement the program using matching funds from the CDBG Program. Lead testing began in the fall of 2000. In April 2003, the County of San Diego applied for and was later awarded a renewal grant in the amount of \$674,177 to test and remediate lead paint hazards in an additional 30 units for a total program goal of 93 units.

The goal of the program is to provide: 1) public education and outreach regarding the risks and health hazards of lead-based paint; 2) blood testing of children from low-income families who are under the age of six years



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old; and 3) testing and remediation of residences to control any identified hazards caused by lead-based paint. Qualifying participants are low-income families who have children under the age of six who lived in or frequently visited the residence and lived within the target, unincorporated community of Spring Valley.

The Spring Valley Youth and Family Coalition carried out the public education and outreach components of the program. This community-based organization is a collaboration of agencies, organizations, and service providers located in the Spring Valley area that partnered with the County of San Diego to implement the program. The blood testing is being performed by the Grossmont-Spring Valley Health clinic, a local health clinic that provides health services for low-income families in the area. All services of the program were provided to residents and homeowners in the form of grants. Participation in the program was on a voluntary basis. In 2003-2004, 64 units were completed and cleared. In 2004-2005, 32 units were completed and cleared.

On April 16, 2002, the Board of Supervisors took action to expand the program boundaries into incorporated jurisdictions with priority given to the City of National City and to certain high-risk communities in the City of San Diego. Staff prepared Memorandums of Understanding with the City of National City, the City of San Diego, the San Diego Housing Commission, and the Environmental Health Coalition (a community-based organization) to establish partnerships to implement the program expansion. HCD also prepared contract amendments to request that HUD support and approve the program expansion.

In addition to the initiation of this Lead-Based Paint Hazard Control Program, in FY 1999-2000 County Housing and Community Development set up a committee for development of procedures to implement the new lead-based paint reduction requirements in all housing activities covered by sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and 24 CFR 35, which took effect September 15, 2000. During the last few years, the County's Residential Rehabilitation Program has implemented lead assessment and reduction practices that are required by the new lead regulations.

From the start of the program to June 30, 2005, the County has tested 254 homes and completed and cleared 172 homes of lead-based paint hazards, surpassing the total program goal of 93 units by 79 units.

Public Policies

In the Consolidated Plan, no major changes in public policies were indicated; however, the County has streamlined many permit and processing costs as described in this section.

- *Improvements to land continue to be costly:* It is not likely that local governments will significantly decrease current fees for land development due to: local government budget constraints, efforts to recover full costs for processing and monitoring land developments, and increasing regulations concerning lead-based paint, toxins, habitat preservation, and safety.
- *Permit processing costs:* The County continues to explore ways to reduce these costs. Mobile homes and manufactured housing may be sited on individual lots under the same regulations as traditional "stick-built" units. This provides an affordable housing opportunity. In addition, the Department of Planning and Land Use expedites permit processing by coordinating requirements of all pertinent County departments through joint meetings that are set up to review permit applications. This is an attempt to streamline the permitting process. Also, permit fees have been lowered for farm employee housing and certain types of home improvements.



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- *Federal and State environmental protection regulations:* These requirements have not changed significantly.
- *Development impact fees:* These fees will continue and may increase due to the need for local governments to recover full costs for developing infrastructure for community growth.
- *Standards:* There have been no appreciable changes in the local standards for development.
- *Article 34 of the California Constitution:* This provision requires local governments to conduct a referendum to approve or disapprove the development of government-owned public housing.
- *Institutional Structures:* There were no changes in the institutional structure as described in the five-year strategy.
- *Intergovernmental Cooperation:* The structures identified in the five-year strategy continue to act as coordinating organizations for strengthening cooperation among the various affordable housing development agencies. The County continues to have a lead agency role in regional housing and homeless issues. County Department of Housing and Community Development participates in intergovernmental activities that include the Regional Task Force on the Homeless, City/County Reinvestment Task Force, Mortgage Credit Certificate Program, Fair Housing Resources Board, Regional Assessment of Impediments to Fair Housing Choice, and coordination of the interagency Supportive Housing Program, Urban County CDBG Program, and HOME Consortium.
- *Community Reinvestment Act Activities:* Under City and County policy, the Reinvestment Task Force (RTF) is contracted to develop San Diego-specific reinvestment plans with major financial institutions doing business in the San Diego regional economic market. During 2004-2005, the RTF monitored and reported lender performance, disseminated marketing and public information on reinvestment issues through an Internet website and RTF newsletters, participated in public meetings to present information on the Community Reinvestment Act and San Diego lender agreements. The RTF monitors these agreements with banks that result in investments in low/moderate-income communities. Also, RTF completed its annual analysis of Home Mortgage Disclosure Act data and presented it to each bank as part of the monitoring process.

In October 2000, the RTF prepared a Reinvestment Master Plan, a strategy for reinvestment, based on the finding of the 1999 Countywide Credit Needs Assessment. The master plan included 13 initiatives by which government, private lenders, and community non-profit, housing, and economic development agencies can maximize the potential of the Community Reinvestment Act for the San Diego region. Subsequently, an Equity Capital Fund feasibility study was conducted and the report included guidelines for the general design and development of a non-profit Capital Collaborative to invest in affordable housing and economic development in the San Diego region. Following the recommendation of the study, a new, non-profit organization was formed to raise funds for investment in lower-income communities. A member of the County Board of Supervisors serves as a voting member of the Task Force. In the year just completed, County Department of Housing and Community Development



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supported these activities with \$100,000 in CDBG funds (\$75,000 for operational expenses and \$25,000 for office rent and information technology expenses).

- *Public Lands and Preservation of Housing:* The County continues to monitor all surplus lands opportunities, but at the present time there is no available public land suitable for housing development. During FY 2004-2005, County Department of Housing and Community Development conducted a thorough review of County real estate to identify potential sites for development of affordable housing. Although no sites were identified, County Department of Housing and Community Development will continue to monitor for potential sites. County Department of Housing and Community Development did identify a Caltrans surplus property and began the initial due diligence, but the land was eventually earmarked for alternative County utilization. The County's small supply of publicly owned housing is in no danger of being lost, and there is very little chance that other subsidized housing would be lost on prepay notices because of the incentives that have been made available to maintain assisted programs. In August 1997, the County transferred vacant property it owned in the City of San Diego to Habitat for Humanity for low-income housing development.

Compliance and Monitoring

To ensure compliance with CDBG program requirements by non-profit subrecipients, County departments, and participating/consortium cities who implement funded activities, the Department of Housing and Community Development holds training sessions at least once a year where CDBG requirements are reviewed. Project managers are made aware of local, State, and federal regulations that apply to these programs. In addition, department staff provides ongoing technical assistance to subrecipients of all four entitlement programs throughout the year.

1.f. LEVERAGING RESOURCES

County staff routinely emphasizes to applicants the need to leverage federal funds with local funds to stretch the benefit of the federal dollars. These efforts have been fruitful and projects funded under CDBG, HOME, ESG, and HOPWA have substantially exceeded accomplishments that could be achieved from federal funds alone. Although there is no official match requirement in the CDBG program, in most cases, other funds such as private funds received through donors or fund raising activities, commercial loans, Gas Tax funds, and Park Land Dedication Ordinance funds, are used to defray project costs.

Leveraging of resources for services to low-income people fall into three major categories: cash assistance, provided mostly by the County; program funds provided through various government programs; and those funds supplied by nonprofit agencies. This latter category includes the United Way of San Diego County and corporate, foundation, and volunteer contributions. Cash assistance covers payments directly to low income families and individuals for Temporary Assistance for Needy Families (TANF), Food Stamps, General Relief, and Rental Assistance. In 2004-2005, as indicated in the publication "The Distribution of Public Funds for Homeless Services and Cash Assistance in San Diego County-June 2004" prepared by the Regional Task Force on the Homeless, just over \$6 million was allocated by San Diego County in cash assistance to homeless persons.



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Other Federal Program Funds

Welfare to Work Grant Program: This program refers to formula grant monies allocated to this region under the U.S. Department of Labor's (DOL) Welfare to Work Grant Program for job training, employment, and retention programs. The fund is administered by the San Diego Workforce Partnership (see below). This partnership was established by the City and the County to provide for a regional comprehensive system of planning and administration for job training and employment resources. The County's strategic plan for CalWORKs provided the basis for the Partnership's program. CalWORKs recipients are assigned an Employment Case Manager (ECM) for assessment of skills and work history, identification of support service needs such as childcare or transportation, and enrollment in a job search program. If the individual is not employed at the end of the initial period, the participant and the ECM develop an individualized CalWORKs Welfare to Work Plan identifying services needed to assist the participant in meeting work requirements. Upon completion of the plan, the participant enters the Partnership Program offering readiness training coupled with work activities.

Workforce Investment Act: The San Diego Workforce Partnership administers federal job training funds in San Diego County. The Partnership offers employment and training services in San Diego County and among the participants are the community colleges, State of California departments, chambers of commerce, private educational institutions, and community-based organizations.

Medicaid: In California, Medicaid is known as Medi-Cal and is available to a diverse population based primarily on income eligibility. All CalWORKs recipients are routinely screened for and receive Medi-Cal benefits. All winter shelter participants were also screened for eligibility for Medi-Cal benefits.

State of California Funds

In the most recent funding cycle (2004-2005), the State of California continued to make additional money available for housing of all types, including homeless assistance/prevention programs and support services. The passage of State Proposition 46 allowed the State to sell \$2.1 billion of general obligation bonds to fund 21 housing programs. Most of these funds will go to existing state housing programs, but a number of the programs are new and will expand the variety of housing assistance options for local governments and non-profit organizations.

County of San Diego Funds

Mental Health Services: A large percentage of homeless program funds are spent on mental health services. Approximately \$11.8 million or 36.2% of the \$32.5 million total program funds spent by the County on homelessness goes to mental health services. Most of these funds are expended by the County Health and Human Services Agency and are administered through the Mental Health Services section. These funds are used for crisis teams, residential treatment, shelters, and outpatient services. This supports an entire range of mental health services from outreach and crisis intervention to state hospitalization.

Health Services for the Homeless: Approximately \$7.6 million is spent in the entire region for health services for the homeless, of which 70% is administered by the County Health and Human Services Agency. The majority of the remaining health services funds are used by the Family Health Centers of San Diego that administers the Health Care for the Homeless fund channeled into a variety of small homeless medical clinics throughout the region.



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Marriage License Fees: California law provides that counties may collect a surcharge on marriage license fees to fund programs that prevent, reduce, or alleviate the effects of domestic violence. Currently, the County funds three separate agencies to provide domestic violence services from this funding source. These are the Women's Resource Center, YWCA Domestic Violence Services, and South Bay Community Services.

1.g. CITIZEN COMMENTS

No letters were received from the public in 2004-2005 with regard to the Annual Funding Plan programs. However, the Department of Housing and Community Development, that administers HUD housing and community development entitlement grant programs, regularly distributes Customer Satisfaction forms to community residents and organizations. The people who return forms to the Community Development Division are typically applicants for funds, subrecipients, program beneficiaries and community residents seeking information about HUD programs. During 2004-2005, 828 survey forms were completed by individuals who had contact with the County Department of Housing and Community Development. Of these, 816 (98.6%) indicated satisfactory to excellent service and 12 (1.4%) indicated unsatisfactory service.

1.h. SELF-EVALUATION

The County of San Diego CDBG Program has funded community development projects in Neighborhood Revitalization Areas (NRA) to focus funds in geographic areas with concentrations of lower income people, where there is evidence of blighted conditions and deficiencies in public improvements and facilities. Eight of these NRA are located in the unincorporated area and six are in the participating cities. Maps of the target areas are included in the Annual Funding Plan. Because each community has a unique set of conditions and priorities, recommendations for funding are based on each community's needs. The County Annual Funding Plan Strategy emphasizes the physical revitalization of lower income communities, and therefore there is a visible improvement in the Neighborhood Revitalization Areas each year. In addition to infrastructure improvements, CDBG funds were also used to construct and improve neighborhood facilities that improve life for residents in the targeted communities.

During FY 2004-2005, the County CDBG Program met the CDBG expenditure standard by the deadline of April 30, 2005. As of April 30, 2005, the County's balance of unexpended funds equaled 1.34 program years of funding, indicating a somewhat higher expenditure rate than the HUD-required CDBG progress requirement of 1.5. This represented an expenditure of approximately \$919,429 more than required by HUD for this program. The HOME and ESG Programs also met HUD requirements for the commitment and expenditure of funds.

HUD entitlement program funds were expended in FY 2004-2005 to meet the priority needs and objectives identified in the 2000-2005 County Consortium Consolidated Plan. The funded activities provided public improvements to revitalize lower income areas, affordable housing for low income households and special needs populations, and assistance to homeless persons, as described in this narrative report and in the IDIS accomplishment reports. These have improved the living environment, expanded economic opportunities, and provided decent housing, principally for low-and moderate-income persons. Although the disbursement of funds is largely dependent upon receipt of funding proposals, the major goals set out in the 5-year Consolidated Plan and in the Annual Funding Plan have been met. County housing and community development programs



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are assisting communities in addressing their highest priority needs. See item 1.c. and the IDIS reports for specific housing and community development accomplishments.

On September 12, 2003, HUD issued an Information Bulletin entitled "Performance Measurement Systems, Community Planning and Development Formula Grant Program" that encourages grantees to use a State or local performance measurement system to account for the effectiveness of HUD programs in meeting the needs of communities. The CAPER IDIS reports and this narrative describe productivity of each program, or level of efficiency, i.e., the quantity (number of facilities, housing units, persons or households served, etc.), quality, and pace of performance. However, the program impact or outcomes, the extent to which these activities yield the desired outcomes or show an overall improvement in lives of persons assisted, is not always apparent. In June, 2005, HUD issued a "Notice of Draft Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs" that proposes a structure for reporting performance outcomes for the four entitlement programs. HUD will receive comments and a final notice will be issued in December 2005 with specific guidelines for reporting outcomes. More details are expected to follow, as well as training for staff implementing these programs. Outcome reporting will not be required until preparation of the 2007-2008 Annual Plan. However, the County Department of Housing and Community Development project managers have been reviewing the HUD directives on this issue and have discussed ways of incorporating program outcome measurement into entitlement program procedures.

2. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT FUNDS

CDBG housing and community development projects implemented during 2004-2005 addressed the needs and objectives set out in the 5-year Consolidated Plan. CDBG funds were distributed between activities supporting: community development, housing development, residential rehabilitation, and administration. See the response to item 1.a. for specific activities funded in 2004-2005. Based on the Financial Summary Report, 98.1 % of the CDBG expenditures, excluding planning and administration, were used for activities that benefited low-and moderate-income persons. The remaining expenditures qualified by addressing conditions of slum and blight in Urban County communities. The CDBG regulations require that at least 70% of annual expenditures benefit lower income people.

The CDBG Program objectives have not changed during the last year.

The County of San Diego: (1) pursued all resources that were indicated that it would pursue; (2) provided requested certifications of consistency with HUD programs, in a fair and impartial manner, for which the County indicated it would support application by other entities; and (3) did not hinder Consolidated Plan implementation by action or willful inaction. All efforts were made to operate an effective and efficient program. County staff is always seeking opportunities to leverage CDBG funds with resources from other County departments, e.g., Park Land Dedication Ordinance funds, road funds, funds raised by non-profit organizations, conventional loan funds, State and other federal sources of funds, and private donations. The Annual Funding Plan and related reports contain specific examples of other resources that assisted in the funding of County CDBG projects.

All CDBG funds were expended on projects that met at least one of the three CDBG National Objectives.



COUNTY OF SAN DIEGO CONSORTIUM PERFORMANCE REPORT FOR FY 2004-2005

Two activities that were awarded funds or were carried out in 2004-2005, involving acquisition, rehabilitation or demolition of occupied real property, entailed temporary relocation of residents. Both projects involved the temporary relocation of tenants during CDBG-funded rehabilitation of multi-family projects. In both cases, the temporary relocation was required due to termite treatments and the duration was less than one week. Detailed relocation plans were initiated by the developers before this relocation occurred.

No economic development activities undertaken in 2004-2005 involved the creation of jobs to meet the CDBG National Objective of lower income benefit.

One project undertaken in 2004-2005 qualified as a limited clientele lower income benefit activity by the nature, location and other information about the project. This was the First-Time Homebuyer Education and Counseling Program that provides information and assistance to renters who are interested in becoming homeowners. It was determined that due to the nature and location of the homeownership workshops and counseling sessions, the project qualifies as a low-income limited clientele activity, as per CFR 570.208(A)(2)(i)(D).

Program income from repayment of loans is returned to the specific activity generating the revenue and is expended, in addition to the entitlement allocation, in accordance with the activity scope of work. The following describes the 2004-2005 sources of program income from the CDBG Program (total \$1,206,676.85): San Diego Urban County Residential Rehabilitation Program (\$754,309.96); Poway Housing Rehabilitation (\$44,095.49); Mobilehome Occupancy Assistance Program (MOAP) (\$368,358.49); Chinaberry Apartments (\$13,219.00); Spring Valley Apartments (\$25,812.52); Copper Creek Housing (\$740.00); and South Bay Community Services (\$141.39).

Sources of program income from the HOME Program (total \$801,592.95) include the following: Urban County Residential Rehabilitation Program (\$144,379.72); Urban County Downpayment and Closing Costs Assistance Program (\$325,086.96); Section 8 Homeownership Program (\$73,175.89); Villa Serena Apartments (\$16,442.50); Chinaberry Apartments (\$129,000.00); Prescioca Villa Apartments. (\$26,880.00); Brookview Interfaith Senior Apartments (\$9,989.00); City of Encinitas Downpayment Assistance and Counseling Program (\$2,857.15); City of La Mesa Downpayment and Closing Costs Program (\$26,772.87); City of Santee First-Time Homebuyers Program (\$26,008.86); and Vista Homeownership Assistance Program (\$21,000.00).

Residential Rehabilitation, funded in 2004-2005 from allocated funds and program income, resulted in 61 residential units completed, as follows: (1) CDBG Urban County Residential Rehabilitation Program (\$415,283.82) - 50 units completed (6 single family units, 40 mobile homes, and 4 lead grants); and (2) CDBG Poway Residential Rehabilitation Program (\$159,536.59) – 11 units completed (all single family units). Also, in the County Residential Rehabilitation Program, there are an additional 23 units that were processed or underway during FY 2004-2005 (6 single family units and 17 mobile home units), and are expected to be completed in the next fiscal year.

3. HOME INVESTMENT PARTNERSHIP ACT (HOME) ENTITLEMENT FUNDS

Extent to which HOME funds were distributed among different categories of housing need identified in Consolidated Plan (see 1.c. Affordable Housing: HOME).



COUNTY OF SAN DIEGO CONSORTIUM PERFORMANCE REPORT FOR FY 2004-2005

See Exhibit 1, HOME Match Report, HUD Form 40107-A.

See Exhibit 2, Part III of HUD Form 4107, Annual Performance Report (re: Minority Business Enterprises and Woman Business Enterprises).

Onsite Inspections of Affordable Housing and Affirmative Marketing

All contracts for use of CDBG, HOME, ESG and HOPWA funds in affordable rental projects specify inspections, monitoring and reporting requirements. During the past year 64 projects were monitored by the County Department of Housing and Community Development. These included on-site monitoring visits following routine document review of selected projects or in response to special circumstances. The monitored projects were funded through the following programs, or combination of programs: CDBG (16), HOME (20), HOPWA (8), CDBG/HOME (4), HOME/HOPWA (1), ESG (5), SHP (3), Shelter Plus Care (2), and Density Bonus (5). Housing development projects (included in the above list) are monitored by document review of Annual Performance Reports (APR) that contain insurance binders, annual audits, management reports, rent levels, and property maintenance documents, and are submitted to the department annually. On-site visits are performed as part of the APR review to ensure that Housing Quality Standards are maintained. Of the major rental projects of various kinds funded in whole or in part with CDBG, HOME, ESG, or HOPWA dollars, no major problems have been noted.

As administrator of the County's Fair Housing Program, North County Lifeline and its two subcontractors, also administers the County's Affirmative Fair Housing Marketing Plan. That plan requires all housing developers to submit an Affirmative Fair Housing Marketing Plan or receive an exemption (usually because they are part of the Building Industry Association's comprehensive Memorandum of Understanding for Affirmative Marketing) before issuance of final permits. The plan also requires that the "Equal Housing Opportunity" logo be used in all advertising. In addition, the department requires all recipients of affordable housing funds to agree to its Nondiscrimination Clause, an attachment to the standard agreements. That attachment requires compliance with the Fair Housing Act and State of California laws governing housing discrimination. In 2004-2005, Lifeline's Fair Housing Collaborative processed 15 Affirmative Fair Housing Marketing Plans submitted by developers of new homes.

The County also requires all subrecipients and contractors using entitlement program funds to encourage minority participation in new construction and acquisition activities. All contracts awarded by the County are required to be advertised in a paper of general circulation, as well as papers that are circulated among minority populations.

The County also includes Section 3 provisions of the Housing and Community Development Act of 1968 in both its Notices of Funding Availability (NOFA) to all housing sponsors and in any contracts using CDBG or HOME funds. Subrecipient training workshops and pre-application NOFA workshops also cover the requirements of Section 3 for those receiving federal funds.

4. EMERGENCY SHELTER GRANT (ESG) ENTITLEMENT FUNDS

See the Continuum of Care description in Section 1.d.



COUNTY OF SAN DIEGO CONSORTIUM PERFORMANCE REPORT FOR FY 2004-2005

Sources and Amounts of Funds used to meet the Match Requirements of the ESG Program

For the funding year just completed, San Diego County received \$203,777 in Emergency Shelter Grant funding, of which \$10,725 was used for ESG program administration. ESG funds were distributed in five contracts, as follows: Volunteers of America (VOA) in El Cajon received \$62,393 for shelter operations in East County; North County Interfaith Council (NCIC) in Escondido received \$46,629 for shelter operations, essential services, and homeless prevention activities in North County; North County Serenity House received \$55,958 for shelter operations and essential services in Escondido; North County Solutions for Change received \$27,979 for short term transitional housing operations in Vista; and the Ecumenical Council received \$10,818 for emergency shelter operations and essential services. All contracts were committed by December 31, 2004 and will be fully expended in accordance with ESG critical deadlines cited at 24 CFR 576.35 (b). ESG expenditures in FY 2004-2005 resulted in shelter benefits to an average of 791 unduplicated homeless persons.

Since the ESG grant is small, it is matched far in excess of the required minimum amount (100%). An approximate ratio of 7:1 is achieved for the activities supported by the grant in East County, as the VOA program costs about \$539,695. The NCIC program in North County costs about \$143,529 in operations annually, thereby maintaining an approximate 2:1 ratio. The North County Serenity House program costs a total of \$210,079 or more than 3:1, while North County Solutions for Change has total costs of \$594,883 or more than 13:1, and the Ecumenical Council's total program is approximately \$63,942 or more than 5:1.

5. PUBLIC PARTICIPATION REQUIREMENTS

A Notice was published in the San Diego Union-Tribune and a Spanish translation was published in La Prensa, on September 9, 2005, to announce the availability of the 2004-2005 San Diego Consortium Consolidated Annual Performance and Evaluation Reports (CAPER) for public review and allow a 15-day period to receive comments. The CAPER, including the IDIS List of Activities Report, Grantee Performance Report (GPR), Summary of Consolidated Plan Projects, Summary of Community Development Accomplishments Report, Financial Summary Report, and Narrative Report, was available for citizen review.

The Performance Reports will also be made available to community residents during the Fall 2005 series of neighborhood public meetings. In addition, a public hearing on the 2006-2007 Annual Funding Plan Strategy and 2004-2005 CAPER was held on September 20, 2005. This County Board of Supervisors' hearing provides the public with an opportunity to review and discuss FY 2004-2005 accomplishments and establishes CDBG, HOME, and ESG strategies for the 2006-2007 Program Year.



COUNTY OF SAN DIEGO CONSORTIUM PERFORMANCE REPORT FOR FY 2004-2005

Annual Performance Report HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

Exhibit 2
OMB Approval No. 2506-0171
(exp. 05/31/2007)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/M) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31.
Send one copy to the appropriate HUD Field Office and one copy to:
HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410

This report is for period (mm/dd/yyyy)		Date Submitted (mm/dd/yyyy)
Starting	Ending	
07/01/2004	06/30/2005	

Part I Participant Identification

1. Participant Number M-04-DC-060534	2. Participant Name County of San Diego Consortium		
3. Name of Person completing this report April Torbett	4. Phone Number (Include Area Code) 858-694-8724		
5. Address 3989 Ruffin Road	6. City San Diego	7. State CA	8. Zip Code 92123

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period	2. Amount received during Reporting Period	3. Total amount expended during Reporting Period	4. Amount expended for Tenant-Based Rental Assistance	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5
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Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number	8	0	0	0	0	8
2. Dollar Amount	\$153,339	\$0	\$0	\$0	\$0	\$153,339
B. Sub-Contracts						
1. Number	0	0	0	0	0	0
2. Dollar Amount	\$0	\$0	\$0	\$0	\$0	\$0
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	8	0	8			
2. Dollar Amount	\$153,339	\$0	\$153,339			
D. Sub-Contracts						
1. Number	0	0	0			
2. Dollar Amounts	\$0	\$0	\$0			



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AI SUMMARY MATRIX - Accomplishments Addressing Impediments to Fair Housing Choice in FY 2004-2005
Name of Grantee: County of San Diego, CA

Exhibit 3

PROPOSED GOALS – ACTIVITIES REPORTED IN ANNUAL ACTION PLAN							ACTUAL ACCOMPLISHMENTS REPORTED IN CAPER	
IMPEDIMENT(S) TO BE ADDRESSED (list by degree of importance)	GOALS (What do you hope to achieve?)	ACTIVITIES OR STRATGIES TO MEET THE GOALS (How will you achieve your goals?)	RESPONSIBLE ENTITIES ASSIGNED TO MEET GOALS (Identify the organizations who will be undertaking the impediment	BENCHMARK In which year of your Con/Plan do you plan to achieve this?	PROPOSED INVESTMENT (Amount of money) (Funding Source)	YEAR TO BE COMPLETED (Is it contained in your Consolidated Plan Action Plan Goals?)	DATE (Mo/Yr) and Action Taken	IF THE IMPEDIMENT WAS NOT ADDRESSED, PROVIDE AN EXPLANATION AS TO WHY AND WHEN
1. Education and Outreach - Lack of access by public to fair housing and tenant’s rights information - Lack of information directed to individual homeowner landlords and mom & pop small rental properties	Education and outreach to reach general tenant and buyer population, where possible with focus on two to six unit landlords and individual landlords	- Operate a fair housing hotline to provide information and receive complaints. - Support collaborative efforts by all jurisdictions and service providers to link internet website information. - Make informational brochures and fliers available to public available at appropriate public venues. - Identify small rental operator within the region and target for fair housing support and education - Approach San Diego County Apartments Association regarding feasibility of lower-tier membership for small rental operators. - Conduct public seminars on fair housing issues.	County of San Diego; North County Lifeline Collaborative (10/04- 6/05); Fair Housing Council of San Diego (7/04-9/05)	FY 2004-2005	\$62,500	2004-2005	-177 client calls were received on fair housing hotlines at the 3 locations. -4 linked websites provided fair housing information, and these linked to 25 additional websites with related information, services & agencies. -2000+ fair housing brochures in English and Spanish distributed to 33 sites. -12 seminars on fair housing laws and issues were conducted. -14 additional fair housing events and seminars conducted. -Fair housing mail campaign to 58 non- profits.	-Small rental operators have yet to be identified and targeted for fair housing education. Will be addressed in FY 2005-2006. -San Diego Apartment Association has not been contacted regarding lower-tier membership fees for small rental operators. Will be addressed in FY 2005- 2006.



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2. Lending and Credit Counseling -low approval rates continuing for Blacks and Hispanics over Whites in low and moderate income levels -lack of financial management and good credit history cited	Increase lending opportunities for low income and minority households	- Upon receipt of the final AI, provide copy to the Community Reinvestment Initiative (CRI) Task Force to open a dialogue and address actions with lenders. - Support funding for a separate financial and credit awareness program and identify a service provider to conduct program, or incorporate funding and duties into the Fair Housing Administrator scope of work.	Same as above	Same as above	Same as above	Same as above	-Reinvestment Task Force was funded and entered into agreements with lenders to increase lending in lower income neighborhoods. -CDBG funds used for first time homebuyer credit counseling and education workshops.	
3. Housing for persons with disabilities	Increase housing choices for persons with disabilities	- Re-evaluate housing policies within the jurisdiction. - Research funds availability to provide monetary incentives for barrier removal of non-compliant complexes. - Collaborate with San Diego County jurisdictions and fair housing providers to compile a database of available ADA-compliant units in San Diego region for public dissemination.	Same as above	Same as above	Same as above	Same as above	-All assisted housing and community development projects whether new construction or rehab are required to be ADA-compliant. -All housing element issues were under review in preparation of new County Housing Element.	- Expect collaboration in FY 2005-2006 with FHRB members on inventories of ADA-compliant units.
4. Lead-Based Paint Hazards	Reduce lead-based paint as a factor in housing choice.	- Make lead-based paint education more prominent in fair housing educational information.	Same as above	Same as above	Same as above	Same as above	-Issue included at fair housing workshops.	



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<p>5. Fair Housing Services</p> <ul style="list-style-type: none"> - Lack of consistency in scope of work in region - Gaps in services - Lack of regional collaboration of service providers 	<p>Establish a basic level of service for the region</p> <p>Increase collaboration and coordination of services in region</p>	<ul style="list-style-type: none"> - Collaborate with area fair housing service providers and other jurisdictions through the San Diego Fair Housing Resource Board (FHRB) to coordinate fair housing services. - Support FHRB efforts to establish a consistent set of basic level services for the San Diego region. - Annually update fair housing service area map for use regionally to inform public. 	Same as above	Same as above	Same as above	Same as above	<ul style="list-style-type: none"> -FHRB has elected to oversee negotiations between Lifeline, Heartland, South Bay and Fair Housing Council of San Diego. -All fair housing providers in County are active members of the FHRB. -Fair Housing services map was updated in the Regional AI and the County Consortium Consolidated Plan. 	
<p>6. Lack of consistent reporting by service providers</p>	<p>Increase regional consistency in collection, formatting, and reporting of fair housing information</p>	<ul style="list-style-type: none"> - Collaborate with other jurisdictions and fair housing service providers to develop a consistent reporting matrix and guidelines. - Develop specific outcome-based performance measures to be incorporated into the scope of work. 	Same as above	Same as above	Same as above	Same as above	<ul style="list-style-type: none"> -FHRB members discussed consistency issues and will continue reviewing possibilities for standardization. -Performance measures were developed by HUD to be implemented in 2007-2008. 	
<p>7. Need for fair housing audits</p>	<p>Develop criteria for fair housing audits and collaboratively conduct audits</p>	<ul style="list-style-type: none"> - Explore feasibility of jointly funding audits every two years with other County jurisdictions through the FHRB. - Pursue Fair Housing I P funds through the FHRB and regional fair housing providers, as available. 	Same as above	Same as above	Same as	Same as above	<ul style="list-style-type: none"> -The Regional AI completed in 2004-2005 including testing. FHRB will have further discussions about joint testing in future. 	



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8. Lack of Tenant/Landlord services	Education and outreach	<ul style="list-style-type: none"> - Provide information on tenant's rights in response to public inquiries and at fair housing seminars. - Consider support for tenant and landlord educational outreach and dispute resolution services. 	Same as above	Same as above	Same as above	Same as above	<ul style="list-style-type: none"> -265 persons were served at 9 public seminars. -165 persons were assisted/counseled on fair housing related issues by telephone. -Landlord/tenant education and assistance is part of each contact when assessing fair housing violations. Dispute resolution was provided when appropriate. 	
9. Preferential Advertising	Eliminate preferential advertising in new housing sales	<ul style="list-style-type: none"> - Advise developers on development of Affirmative Fair Housing Marketing Plans. - Process Marketing Plans and maintain records on submittals and approved plans. 	Same as above	Same as above	Same as above	Same as above	<ul style="list-style-type: none"> -21 fair housing compliance and exemption letters were requested and prepared. -At least 2 developers were given in-depth instruction on Fair Housing Marketing Plan process. -Database tracking the Plans was prepared and reported quarterly. 	
10. Public policies relating to land use designation, zoning provisions, and development regulations, that may be potential impediments to fair housing choice	Reduce impediments to fair housing choice that arise from public policies	- Review and consider revisions to public policies during preparation of Housing Element or during General Plan update process.	County of San Diego and Urban County participating cities	Same as above	Unknown	Same as above	-County of San Diego and Urban County cities reviewed and revised public policies during Housing Element and General Plan updates.	